

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
W. R. GRACE & CO., et al.,¹) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
Debtors.) **Objection Deadline:** October 22, 2002, at
4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF KIRKLAND & ELLIS FOR COMPENSATION
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS BANKRUPTCY
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE SECOND MONTHLY
INTERIM PERIOD, FROM AUGUST 1, 2002, THROUGH AUGUST 31, 2002, FOR
THE QUARTER OF JULY – SEPTEMBER, 2002**

Name of Applicant: Kirkland & Ellis

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and
Debtors-in-Possession

Date of Retention: Retention Order entered May 3, 2001,
effective as of April 2, 2001.

Period for which compensation and reimbursement
is sought: August 1, 2002, through August 31,
2002

Amount of Compensation sought as actual,
reasonable and necessary: \$430,666.20

This is a X monthly ___ interim ___ final application.

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 35 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$11,000.00.

This is the second monthly application for interim compensation of services for the July - September 2002 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 - 4/30/01	\$626,079.00	\$32,439.84	pending	pending
June 29, 2001	5/1 - 5/31/01	\$567,151.00	\$77,487.86	pending	pending
July 31, 2001	6/1 - 6/30/01	\$560,569.50	\$45,466.13	pending	pending
July 31, 2001	April - June, 2001	\$1,753,799.50	\$155,393.83	pending	pending
August 28, 2001	7/1 - 7/31/01	\$476,582.50	\$25,312.13	pending	pending
September 28, 2001	8/1 - 8/31/01	\$472,334.50	\$29,022.59	pending	pending
October 30, 2001	9/1 - 9/30/01	\$443,617.50	\$27,147.47	pending	pending
November 7, 2001	July - September, 2001	\$1,392,534.50	\$81,482.19	pending	pending
December 11, 2001	10/1 - 10/31/01	\$493,074.00	\$27,724.54	pending	pending
December 29, 2001	11/1 - 11/30/01	\$524,980.00	\$29,678.21	pending	pending
January 31, 2002	12/1 - 12/31/01	\$405,278.50	\$27,276.95	pending	pending
February 7, 2002	October-December, 2001	\$1,423,332.50	\$84,679.70	pending	pending
March 4, 2002	1/1 - 1/31/02	\$439,056.00	\$32,279.54	pending	pending
March 27, 2002	2/1 - 2/28/02	\$412,304.00	\$18,475.64	pending	pending
May 2, 2002	3/1 - 3/31/02	\$430,342.50	\$51,759.20	pending	pending
June 10, 2002	January-March, 2002	\$1,281,702.50	\$102,514.38	pending	pending
June 10, 2002	4/1 - 4/30/02	\$410,702.50	\$25,286.05	pending	pending
July 2, 2002	5/1 - 5/31/02	\$335,280.50	\$25,556.83	pending	pending
August 8, 2002	6/1 - 6/30/02	\$243,127.00	\$16,326.36	pending	pending
September 3, 2002	April-June, 2002	\$989,110.00	\$67,169.24	pending	pending
September 11, 2002	7/1 - 7/31/02	\$335,129.00	\$28,504.48	pending	pending

K&E has filed certificates of no objection with respect to the interim monthly Applications for April 2001 through June 2002, respectively, and will file a certificate of no objection with respect to the interim monthly Application for July 2002, because no objections were filed within the respective objection periods. The Quarterly Applications for the interim periods from April 2, 2001, through June 31, 2001, July 1, 2001, through September 30, 2001, and October 1, 2001, through December 31, 2001, have been scheduled for hearing on September 23, 2002. The Quarterly Application for the interim period from January 1, 2002,

through March 31, 2002, has been scheduled for hearing on August 26, 2002. The Quarterly Application for the interim period April 1, 2002, through June 30, 2002, has been scheduled for hearing on November 25, 2002.

The K&E attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Theodore L. Freedman	Partner	30 Years	Bankruptcy	640.00	3.70	\$2,368.00
Janet S. Baer	Of Counsel	20 Years	Bankruptcy	580.00	87.00	\$50,460.00
James W. Kapp	Partner	8 Years	Bankruptcy	470.00	41.70	\$19,599.00
Roger J. Higgins	Associate	6 Years	Bankruptcy	390.00	40.20	\$15,678.00
Christian J. Lane	Associate	4 Years	Bankruptcy	410.00	98.10	\$40,221.00
David M. Bernick, P.C.	Partner	24 Years	Litigation	665.00	73.70	\$49,010.50
Michelle H. Browdy	Partner	12 Years	Litigation	420.00	8.80	\$3,696.00
David A. Codevilla	Associate	6 Years	Environmental	365.00	6.80	\$2,482.00
Lisa G. Esayan	Partner	12 Years	Litigation	430.00	21.30	\$9,159.00
Mark E. Grummer	Partner	26 Years	Environmental	420.00	61.70	\$25,914.00
Timothy S. Hardy	Partner	30 Years	Environmental	470.00	5.00	\$2,350.00
Nicholas O. Isaacson	Associate	5 Years	Corporate/SEC/Vent Cap	365.00	19.50	\$7,117.50
Elli Leibenstein	Partner	11 Years	Litigation	430.00	1.10	\$473.00
Todd F. Maynes	Partner	15 Years	Taxation	600.00	18.60	\$11,160.00
Scott A. McMillin	Associate	7 Years	Litigation	385.00	2.40	\$924.00
Linda Potapova	Associate	2 Years	Taxation	280.00	16.80	\$4,704.00
Andrew R. Running	Partner	20 Years	Litigation	480.00	81.70	\$39,216.00
Pratibha J. Shenoy	Associate	2 Years	Taxation	280.00	24.30	\$6,804.00
S. Jonathan Silverman	Partner	10 Years	Litigation	430.00	13.00	\$5,590.00
Douglas G. Smith	Associate	7 Years	Litigation	385.00	18.70	\$7,199.50
Nara Sugino	Associate	1 Year	Taxation	280.00	26.10	\$7,308.00
Christopher B. Sullivan	Partner	7 Years	Litigation	390.00	33.30	\$12,987.00
David J. Zott	Partner	16 Years	Litigation	475.00	8.90	\$4,227.50

The paraprofessionals of K&E who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of years in that position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Rhonda A. Bledsoe	Legal Assistant	11 Years	Bankruptcy	\$200.00	25.40	\$5,080.00
Sabrina M. Mitchell	Project Assistant	1 Year	Bankruptcy	\$85.00	40.00	\$3,400.00
Megan K. Coleman	Project Assistant	2 Years	Litigation	\$90.00	3.10	\$279.00

Name of Professional Person	Position with the Applicant	Number of years in that position	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Shirley A. Pope	Legal Assistant	17 Years	Litigation	\$180.00	39.40	\$7,092.00
Charisma J. Starr	Technology Service	1 Year	Litigation	\$120.00	1.00	\$120.00

Grand Total for Fees: \$344,619.00

Blended Rate: \$419.60

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
17	Relief from Stay	21.00	\$8,910.00
19	Claims (Non-Asbestos)	9.60	\$3,967.00
20	Case Administration	102.10	\$26,412.00
21	Claims (Asbestos)	6.20	\$3,486.00
24	Creditors Noteholders or Equity Holders'	0.80	\$346.00
27	Employee Benefits/Pension	96.70	\$44,071.00
28	Litigation and Litigation Consulting	295.80	\$143,231.00
30	Hearings	28.80	\$13,711.50
31	Asset Disposition	3.10	\$1,283.00
32	Fee Applications, Applicant	65.90	\$23,155.50
35	Fee Applications Others	3.20	\$1,256.00
37	Plan and Disclosure Statement	0.50	\$235.00
38	Employment Applications, Others	0.20	\$94.00
42	Travel non-working	19.60	\$10,266.00
46	Tax Litigation	109.40	\$38,966.50
51	ZAI Science Trial	58.10	\$25,111.50
54	Employment Applications, Applicant	0.30	\$117.00
	Total	821.30	\$344,619.00

Expense Summary

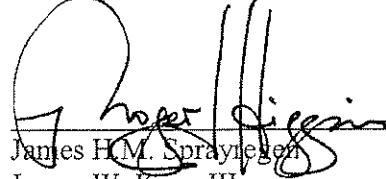
Description	Amount
Telephone	\$2,412.53
Facsimile Charges	\$5,573.63
Standard Copies	\$4,591.60
Binding	\$29.75
Tabs/Indexes/Dividers	\$9.30
Color Copies	\$78.00
Scanned Images	\$13.20
CD-ROM Duplicates	\$75.00
Postage	\$44.48
Overnight Delivery	\$4,181.36
Overnight Delivery - Refund	\$(34.85)
Outside Messenger Services	\$33.00
Local Transportation	\$42.00
Travel Expense	\$1,176.98
Airfare	\$3,287.14
Transportation to/from airport	\$329.12
Travel Meals	\$64.35
Court Reporter Fee/Deposition	\$19,444.08
Appearance Fees	\$50.00
Calendar/Court Services	\$60.00
Process Server Fees	\$68.00
Witness Fees	\$206.30
Outside Copy/Binding Services	\$35,776.85
Working Meals/K&E Only	\$110.48
Working Meals/K&E and Others	\$180.90
Computer Database Research	\$5,169.14
Overtime Transportation	\$714.77
Overtime Meals	\$60.00
Overtime Meals - Attorney	\$292.16
Secretarial Overtime	\$1,972.28
Miscellaneous Office Expenses	\$35.65
Total	\$86,047.20

WHEREFORE, K&E respectfully requests (a) that an allowance be made to it, as fully described above for the (i) 80% of the amount of \$344,619.00 for reasonable and necessary professional services K&E has rendered to the Debtors during the Fee Period (\$275,695.20) and (ii) 100% of the reimbursement of actual and necessary costs and expenses incurred by K&E during the Fee Period (\$86,047.20); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Wilmington, Delaware
Dated: October 1, 2002

Respectfully submitted,

KIRKLAND & ELLIS

A handwritten signature in black ink, appearing to read "James H.M. Sprayregen", is written over a horizontal line.

James H.M. Sprayregen
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